

PYX RESOURCES LTD AND ITS CONTROLLED ENTITIES

APPENDIX 3 – HALF YEAR REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Half Year Ended 30 June 2022 US\$	Half Year Ended 30 June 2021 US\$	Movement US\$	Movement %
Income Statement				
Revenue from ordinary activities	10,645,890	4,660,223	5,985,667	128.44%
Net loss from ordinary activities after tax attributable to members	(3,623,751)	(1,194,190)	(2,429,561)	(203.45%)
Total comprehensive loss for the period attributable to members	(3,679,208)	(1,134,608)	(2,544,600)	(224.27%)

During the 30 June 2022 half year, the Company completed a share placement to L1 Capital Global Opportunities Master Fund. The loss for the half year ended 30 June 2022 includes one-off costs associated with the share placement transaction of US\$261,750, share-based payments totalling US\$1,889,090 and US\$795,990 loss on fair value change of financial instrument.

The information, contained in this Appendix 3, prepared for the purposes of meeting the Company's periodic disclosure requirements on the National Stock Exchange of Australia, should be read in conjunction with the 30 June 2022 Interim Financial Report and 31 December 2021 Annual Report available on the Company's website www.pyxresources.com.

DIVIDENDS:

No dividends were paid or declared for payment during the half year period under review.

DIVIDEND REINVESTMENT PLAN:

The Company does not operate a dividend reinvestment plan.

EARNINGS PER SHARE:

	Half Year ended 30 June 2022	Half Year Ended 30 June 2021
Basic loss per share (US\$ cents per share)	(0.84)	(0.20)
Diluted loss per share (US\$ cents per share)	(0.81)	(0.19)

Basic loss per share is based on a weighted average number of shares on issue of 431,908,365 (30 June 2021: 323,214,662) ordinary shares. Diluted loss per share has been calculated including the dilutionary effect of the options and performance rights.

NET TANGIBLE ASSET PER SHARE:

	30 June 2022	30 June 2021
Net tangible asset per share (cents per share)	3.33	3.17

The number of shares on issue as at 30 June 2022 totalled 436,699,484 (30 June 2021: 429,520,222).

AUDITOR'S REVIEW

This report is based on accounts that have been subject to an Auditor's review. There are no items of dispute with the auditor and the review report is not subject to qualification.



PYX RESOURCES LTD

ABN 30 073 099 171

INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2022

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CORPORATE DIRECTORY

Directors

Mr. Oliver B. Hasler, Mr. Gary J Artmont, Mr. Bakhos Georges, Mr. Alvin Tan

Company Secretary

Ms. Louisa Martino

Registered Office

Level 5, 56 Pitt Street
Sydney NSW 2000
Telephone: +612 8823 3132
Website: www.pyxresources.com

Auditors

Hall Chadwick Pty Ltd
Level 40, 2 Park Street
Sydney NSW 200
Australia

Share Registry

Advanced Share Registry Pty Ltd
110 Stirling Highway, Nedlands, Western Australia, 6009
Telephone: +618 9389 8033
Facsimile: +618 9262 3723

Australian Company Number and Australian Business Number

ACN 073 099 171
ABN 30 073 099 171

Depository

Computershare Investor Services plc
The Pavilions, Bridgewater Road, Bristol, BS 13 8AE, United Kingdom

Financial Advisor and Broker to the Company

WH Ireland
24 Martin Lane, London, ECR 0DR, United Kingdom

DIRECTORS' REPORT

Your directors present the Interim Financial Report of the Group for the half-year ended 30 June 2022.

Directors

The names of directors who held office during or since the end of the half-year:

Oliver B. Hasler

Gary J Artmont

Bakhos Georges

Alvin Tan

Review of Operations

The loss after income tax and other comprehensive income of the Group for the half-year ended 30 June 2022 was US\$3,679,208 (30 June 2021 loss: US\$1,134,608). The resulting cash and cash equivalent balance for the period was US\$7.6 million, up from US\$6.6 million at the end of December 2021.

The Company performed strongly in the first half of the year due to a boost in Mineral Sands production, sales volume growth, and ongoing price increases and accordingly, H1 2022 has seen PYX deliver a 128% increase in revenue to US\$10.6 million.

Furthermore, PYX produced 9.2kt and sold 3.9kt of Mineral Sands, up 163% and 19% year-on-year ('YoY') respectively, and increased its zircon production 23% and average sales price 92% to US\$2,749 per tonne. The Company also strengthened its finished goods inventories to 5.8kt (2021: 0.3 kt) as a result of the commencement of rutile and ilmenite production and limited freight availability at the end of June 2022.

In December 2021, PYX announced that it had increased its capacity at its Minerals Separation Plant by 33% to 24ktpa with the additional 6ktpa capacity being utilised to start production of titanium dioxide minerals (rutile and ilmenite) during H1 2022. Tailings accumulated in prior years were used to feed the process, which resulted in an ilmenite inventory of 4.6kt tonnes and rutile of 318 tonnes. Moving from only premium zircon production to include rutile and ilmenite reduced the premium zircon output for H1 2022 but PYX believes it will benefit the total operation and margins in the long run.

Private Placement

During the half-year the Company completed a placement to a US-based institutional investor. The share placement consists of an initial investment of US\$4.5 million by L1 Capital Global Opportunities Master Fund ("L1" or "Investor"). A further two investments of US\$4.5 million each (totalling US\$9.0 million) may be made by L1 subject to mutual agreement between PYX and L1.

Price Increase

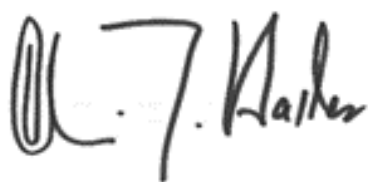
In the period 1 January 2022 to 30 June 2022 Mineral Sands prices (as measured by Asian Metal) showed an increase, with PYX's premium zircon lifting from US\$2,450t to US\$2,766t (being the Company's average prices for the months of January 2022 compared with June 2022). This illustrates that Mineral Sands prices are based on physical trade which is impacted by a lack of supply.

DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 7 for the half-year ended 30 June 2022.

This directors' report is signed in accordance with a resolution of the Board of Directors.



.....
Oliver Hasler

Chairman and Chief Executive Officer

Hong Kong

Dated : 12 September 2022



**PYX RESOURCES LIMITED
ABN 30 073 099 171
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PYX RESOURCES LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of PYX Resources Limited. As the lead audit partner for the review of the financial report of PYX Resources Limited for the half year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 12 September 2022

ACLAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY	PrimeGlobal
Suite 2011 Level 2 147 Pine Street Adelaide SA 5000	Level 4 240 Queen Street Brisbane QLD 4000	Paspale Business Centre Level 1 Suite 11 48-50 Smith Street Darwin NT 0850	Level 14 440 Collins Street Melbourne VIC 3000	Allendale Square Level 11 77 St Georges Terrace Perth WA 6000	Level 40 2 Park Street Sydney NSW 2000	An affiliation of Independent Accountancy Group is a company limited by guarantee incorporated under Professional Standards Legislation Hall Chadwick 2018/00 Pty Ltd ABN 32 159 221 322
T: +61 8 0546 0422	T: +61 7 2111 7000	T: +61 8 8943 0948	T: +61 3 9620 6400	T: +61 8 8943 0545	T: +61 2 9263 2600	
halichadwick.com.au						

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

	Note	Consolidated Group	
		Half-year Ended 30 June 2022	Half-year Ended 30 June 2021
		US\$	US\$
Revenue	2	10,645,890	4,660,223
Cost of sales	3	(7,403,682)	(4,059,354)
Selling and distribution expenses		(970,335)	(354,684)
Corporate and administrative expenses		(4,754,501)	(1,488,908)
Foreign exchange loss		(319,902)	(15,781)
Loss on FV change of financial instrument		(795,990)	-
Listing costs		-	(206)
Finance costs		(15,124)	(5,861)
Other expenses		-	(88,259)
Loss before income tax		(3,613,644)	(1,352,830)
Income tax benefit		(10,107)	158,640
Net loss for the period		(3,623,751)	(1,194,190)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Exchange differences on translating foreign operations, net of tax		(55,457)	59,582
Total comprehensive income for the period		(3,679,208)	(1,134,608)
Net loss attributable to:			
- owners of the Parent Entity		(3,729,389)	(637,735)
- non-controlling interest		105,638	(556,455)
		(3,623,751)	(1,194,190)
Total comprehensive income attributable to:			
- owners of the Parent Entity		51,170	13,791
- non-controlling interest		(106,627)	45,791
		(55,457)	59,582
Loss per share			
Basic loss per share (US\$ cents per share)		(0.84)	(0.20)
Diluted loss per share (US\$ cents per share)		(0.81)	(0.19)

The accompanying notes form part of these financial statements.

PYX RESOURCES LTD AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	Consolidated Group	
		As at 30 June 2022 US\$	As at 31 December 2021 US\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		7,653,070	6,624,364
Trade and other receivables		462,440	968,915
Advance to suppliers		753,743	337,214
Prepayments and deposits		93,850	68,484
Prepaid tax		358,336	210,513
Inventories		1,676,936	530,716
TOTAL CURRENT ASSETS		10,998,375	8,740,206
NON-CURRENT ASSETS			
Right of use assets		22,982	21,595
Property, plant and equipment	8	3,081,305	2,228,372
Deferred tax assets		445,297	471,811
Intangible assets	9	73,325,668	73,334,566
TOTAL NON-CURRENT ASSETS		76,875,252	76,056,344
TOTAL ASSETS		87,873,627	84,796,550
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		3,951,428	1,758,140
Lease liabilities		-	1,759
TOTAL CURRENT LIABILITIES		3,951,428	1,759,899
TOTAL LIABILITIES		3,951,428	1,759,899
NET ASSETS		83,922,199	83,036,651

PYX RESOURCES LTD AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Consolidated Group	
		As at 30 June 2022 US\$	As at 31 December 2021 US\$
EQUITY			
Issued capital	5	100,038,400	96,651,080
Reserves	6	5,111,367	3,882,761
Accumulated losses		(20,285,319)	(16,555,930)
Equity attributable to owners of the Parent Entity		84,864,448	83,977,911
Non-controlling interest		(942,249)	(941,260)
TOTAL EQUITY		83,922,199	83,036,651

The accompanying notes form part of these financial statements.

PYX RESOURCES LTD AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2022

Consolidated Group	Note	Ordinary Share Capital US\$	Share-based payment reserve US\$	Accumulated losses US\$	Foreign currency translation reserve US\$	Options reserve US\$	Subtotal US\$	Non-controlling Interests US\$	Total US\$
Balance at 1 January 2021		14,873,158	2,804,535	(12,877,048)	(22,084)	-	4,778,561	(257,712)	4,520,849
Comprehensive income									
Loss for the period		-	-	(637,735)	-	-	(637,735)	(556,455)	(1,194,190)
Other comprehensive income for the period		-	-	-	13,791	-	13,791	45,791	59,582
Total comprehensive income for the period		-	-	(637,735)	13,791	-	(623,944)	(510,664)	(1,134,608)
Transactions with owners, in their capacity as owners, and other transfers									
Shares issued during the period		81,777,922	-	-	-	-	81,777,922	-	81,777,922
Non-controlling interests on acquisitions		-	-	-	-	-	-	(61,957)	(61,957)
Share based payments		-	566,725	-	-	-	566,725	-	566,725
Issue of shares to employees		-	(959,174)	-	-	-	(959,174)	-	(959,174)
Total transactions with owners and other transfers		81,777,922	(392,449)	-	-	-	81,385,473	(61,957)	81,323,516
Balance at 30 June 2021		96,651,080	2,412,086	(13,514,783)	(8,293)	-	85,540,090	(830,333)	84,709,757
Balance at 1 January 2022		96,651,080	3,906,968	(16,555,930)	(24,207)	-	83,977,911	(941,260)	83,036,651
Comprehensive income									
Loss for the period		-	-	(3,729,389)	-	-	(3,729,389)	105,638	(3,623,751)
Other comprehensive income for the period		-	-	-	51,170	-	51,170	(106,627)	(55,457)
Total comprehensive income for the period		-	-	(3,729,389)	51,170	-	(3,678,219)	(989)	(3,679,208)
Transactions with owners, in their capacity as owners, and other transfers									
Shares issued during the period		3,387,320	-	-	-	-	3,387,320	-	3,387,320
Options reserve		-	-	-	-	411,732	411,732	-	411,732
Share based payments		-	1,889,090	-	-	-	1,889,090	-	1,889,090
Issue of shares to employees		-	(1,123,386)	-	-	-	(1,123,386)	-	(1,123,386)
Total transactions with owners and other transfers		3,387,320	765,704	-	-	411,732	4,564,756	-	4,564,756
Balance at 30 June 2022		100,038,400	4,672,672	(20,285,319)	26,963	411,732	84,864,448	(942,249)	83,922,199

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

	Consolidated Group	
	Half-year Ended 30 June 2022	Half-year Ended 30 June 2021
	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	11,050,784	4,614,853
Payments to suppliers and employees	(12,954,223)	(5,205,032)
Other income	-	(88,259)
Interest received	148	96
Finance costs	(15,272)	(5,957)
Income taxes refunded/(paid)	9,674	(55,141)
Net cash used in operating activities	<u>(1,908,889)</u>	<u>(739,440)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(943,247)	(568,914)
Payments for acquisitions costs, net of cash acquired	-	(24,275)
Net cash used in investing activities	<u>(943,247)</u>	<u>(593,189)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from placement funds	4,383,822	8,327,092
Costs associated with shares issues	-	(769,914)
Costs associated with option issues	(250,037)	-
Receipts/(Advances) of employee loans	4,092	(6,376)
Repayment of lease liabilities	(15,631)	(11,415)
Net cash generated by financing activities	<u>4,122,246</u>	<u>7,539,387</u>
Net increase in cash held	1,270,110	6,206,758
Cash and cash equivalents at beginning of period	6,624,364	3,509,395
Effect of foreign exchange rate changes	(241,404)	1,488
Cash and cash equivalents at end of period	<u><u>7,653,070</u></u>	<u><u>9,717,641</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 30 June 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Pyx resources Limited and its controlled entities (referred to as the “Consolidated Group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2021, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 12 September 2022.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

NOTE 2: REVENUE AND OTHER INCOME

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

	Half-year Ended 30 June 2022 US\$	Half-year Ended 30 June 2021 US\$
Revenue from contracts with customers	10,645,890	4,660,223

Revenue from contracts with customers

Revenue from contracts with customers represents the amounts received and receivable for production and distribution of premium Zircon.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 3: LOSS FOR THE PERIOD

	Consolidated Group	
	Half-year Ended 30 June 2022	Half-year Ended 30 June 2021
	US\$	US\$
Loss before income tax from continuing operations includes the following specific expenses:		
Expenses		
Cost of sales	7,403,682	4,059,354
Interest expense on financial liabilities not classified as at fair value through profit or loss:		
– unrelated parties	15,233	4,676
Finance charges	39	1,281
Less: Interest income	(148)	(96)
Net interest expense	15,124	5,861
Employee benefits expense:		
– Staff salaries and benefits	183,163	163,686
– Share based payments	1,889,090	566,725
Rental expense on operating leases		
short- term lease expense	2,574	2,421
Depreciation	111,698	92,137

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 4: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last reporting period.

NOTE 5: ISSUED CAPITAL

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	US\$	US\$
436,699,484 (2021: 429,520,222) fully paid ordinary shares	100,038,400	96,651,080
	100,038,400	96,651,080

	Consolidated Group			
	2022		2021	
	No. of shares	Contributed equity US\$	No. of Shares	Contributed equity US\$
a. Ordinary Shares				
At the beginning of the reporting period	429,520,222	96,651,080	267,777,037	14,873,158
Movement :				
Year 2021	-	-	161,743,185	81,777,922
17 January 2022	2,182,894	586,762	-	-
21 March 2022	3,000,000	2,513,971	-	-
21 March 2022	1,996,368	536,624	-	-
Share issue costs	-	(250,037)	-	-
At the end of the reporting period	436,699,484	100,038,400	429,520,222	96,651,080

On 17 January 2022, 2,182,894 shares were issued on conversion of 2,182,894 Performance Rights to Shares on achievement of milestones.

On 21 March 2022, the Company issued initial 3,000,000 shares valued at US\$2,513,971, net of costs and 2,083,431 unlisted options to L1 Capital Global Opportunities Master Fund ("L1"). These initial shares and unlisted options were issued in connection with the advance funds of US\$4,383,822 received from L1 as a prepayment for US\$5 million worth of PYX shares. These advance funds will be converted to ordinary shares of the Company within 24 months after the funding date. The unconverted amount of the advance funds is reported net of the value of initial shares and included in trade and other payables in the consolidated statement of financial position.

On 21 March 2022, 1,996,368 shares were issued on conversion of 2,675,943 Performance Rights to Shares on achievement of milestones.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise, each shareholder has one vote on a show of hands.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

	30 June 2022	31 December 2021
	No.	No.
b. Unlisted options		
At the beginning of the reporting period	-	-
21 March 2022	2,083,431	-
	<u>2,083,431</u>	<u>-</u>

During the period, 2,083,431 unlisted options were issued to L1 Capital Global Opportunities Master Fund, pursuant to the Share Placement Agreement. Options are exercisable at any time prior to their expiration, being 21 March 2025. These options are valued at US\$1.32.

c. Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	US\$	US\$
Total borrowings	-	1,759
Less cash and cash equivalents	7,653,070	6,624,364
Net cash/(debt)	<u>7,653,070</u>	<u>6,622,605</u>
Total equity	83,922,199	83,036,651
Total capital	<u>83,922,199</u>	<u>83,036,651</u>
Gearing ratio	0.000%	0.002%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 6: RESERVES

a. **Share-based Payment Reserve**

The share-based payment reserve records items recognized as expenses on valuation of share-based payments.

b. **Options Reserve**

The options reserve records costs associated with the option issue.

c. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of the foreign controlled subsidiaries.

d. **Analysis of Reserves**

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	US\$	US\$
Share-Based Payment Reserve		
At the beginning of the reporting period	3,906,968	2,804,535
Share-based payments	1,889,090	2,061,607
Issue of shares to employees	(1,123,386)	(959,174)
Closing balance in share-based payment reserve	4,672,672	3,906,968
Options Reserve		
At the beginning of the reporting period	-	-
Options reserve	411,732	-
Closing balance in options reserve	411,732	-
Foreign Currency Translation Reserve		
At the beginning of the reporting period	(24,207)	(22,084)
Exchange differences on translation of foreign operations	51,170	(2,123)
Closing balance in foreign currency translation reserve	26,963	(24,207)
Total	5,111,367	3,882,761

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 7: SHARE-BASED PAYMENT PLANS

Performance Rights

The following performance rights were granted to Director and staff during the period.

<u>Number</u>	<u>Grant date</u>	<u>Expiry date</u>	<u>Share price at grant date</u>
3,500,000	18/05/2022	31/12/2024	A\$1.15
3,500,000	18/05/2022	31/12/2024	A\$1.15
3,500,000	18/05/2022	31/12/2024	A\$1.15

During the half year, 4,858,837 performance rights were exercised and converted into 4,179,262 shares

NOTE 8: PROPERTY, PLANT, AND EQUIPMENT

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	US\$	US\$
Land and Buildings		
Freehold land at cost	211,839	196,989
Total land	<u>211,839</u>	<u>196,989</u>
Buildings at cost	878,333	826,936
Accumulated depreciation	(197,584)	(176,542)
Total buildings	<u>680,749</u>	<u>650,394</u>
Total land and buildings	<u>892,588</u>	<u>847,383</u>
Construction in Progress		
Construction in progress at cost	1,406,813	659,605
Total Construction in Progress	<u>1,406,813</u>	<u>659,605</u>
Plant and Equipment		
Plant and equipment at cost	946,109	818,856
Accumulated depreciation	(240,453)	(183,903)
Total plant and equipment	<u>705,656</u>	<u>634,953</u>
Motor Vehicles		
Motor vehicles at cost	81,161	79,758
Accumulated depreciation	(26,465)	(15,777)
Total motor vehicles	<u>54,696</u>	<u>63,981</u>
Furniture and Fittings		
Furniture and fittings at cost	31,805	30,668
Accumulated depreciation	(10,253)	(8,218)
Total furniture and fittings	<u>21,552</u>	<u>22,450</u>
Total property, plant and equipment	<u>3,081,305</u>	<u>2,228,372</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 9: INTANGIBLE ASSETS

	Consolidated Group	
	Half-year Ended	Year Ended
	30 June 2022	31 December 2021
	US\$	US\$
Goodwill:		
Cost	7,774	7,774
Accumulated impairment losses	-	-
Net carrying amount	7,774	7,774
 Mining License Renewal:		
Cost	88,984	88,984
Accumulated amortization	(31,143)	(22,245)
Net carrying amount	57,841	66,739
 Exploration asset		
Cost	73,260,053	73,260,053
Net carrying amount	73,260,053	73,260,053
Total intangible assets	73,325,668	73,334,566

	Goodwill	Mining License	Exploration asset	Total
	US\$	US\$	US\$	US\$
Consolidated Group:				
Half-year ended 30 June 2022				
Balance at the beginning of the year	7,774	66,739	73,260,053	73,334,566
Amortisation	-	(8,898)	-	(8,898)
Closing value at 30 June 2022	7,774	57,841	73,260,053	73,325,668

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2022**

NOTE 10: INTERESTS IN SUBSIDIARIES

Name of Entity	Equity Interest		Proportion of Non-Controlling Interest		Contribution to Net Profit/(Loss) before taxation	
	2022 %	2021 %	2022 %	2021 %	2022 US\$	2021 US\$
Takmur Pte Ltd.	100	100	-	-	(11,702)	(22,250)
PT Andary Usaha Makmur	99.5	99	0.5	1	(142,681)	(94,016)
PT Investasi Mandiri*	-	-	100	100	128,139	(692,421)
Tisma Development (HK) Ltd.	100	100	-	-	8,214	4,392
PT Tisma Investasi Abadi	99	99	1	1	(1,719)	(524)
PT Tisma Global Nusantara**	-	-	100	100	(11,663)	3,664

* This entity is accounted for as a controlled entity on the basis that control was obtained through the execution of an exclusive operations and management agreement between PT Andary Usaha Makmur and PT Investasi Mandiri and was for nil purchase consideration.

** This entity is accounted for as a controlled entity on the basis that control was obtained through the execution of an exclusive operations and management agreement between PT Tisma Investasi Abadi and PT Tisma Global Nusantara and was for nil purchase consideration.

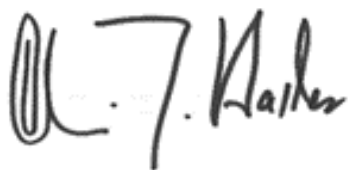
The non-controlling interests in PT Andary Usaha Makmur and PT Tisma Global Nusantara are not material to the Group.

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Pyx resources Limited, the directors of the Entity declare that:

1. The financial statements and notes, as set out on pages 8 to 20, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the Consolidated Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.



Oliver B. Hasler
Chairman and Chief Executive Officer

Hong Kong

Date: 12 September 2022



**PYX RESOURCES LIMITED
ABN 30 073 099 171
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PYX RESOURCES LIMITED AND CONTROLLED ENTITIES**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PYX Resources Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of PYX Resources Limited 's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

Directors' Responsibility for the Half-Year Financial Report

The directors of PYX Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY	PrimeGlobal
Suite 201 Level 2 147 Pirie Street Adelaide SA 5000	Level 4 240 Queen Street Brisbane QLD 4000	Postalis Business Centre Level 1 Suite 111 48-50 Smith Street Darwin NT 0800	Level 14 440 Collins Street Melbourne VIC 3000	Allendale Square Level 11 77 St Georges Terrace Perth WA 6000	Level 40 2 Park Street Sydney NSW 2000	PrimeGlobal An Australian Independent Member Firm of the International Federation of Accountants (IFAC) is a member approved under Professional Standards Legislation 1997 (Corporation 00489) Pty Ltd ABN 30 302 221 332
T: +61 8 8545 8422	T: +61 7 2111 7000	T: +61 8 8943 0645	T: +61 3 9820 6400	T: +61 8 8943 0645	T: +61 2 9263 2600	



**PYX RESOURCES LIMITED
ABN 30 073 099 171
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in cursive script that reads 'Hall Chadwick'.

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

A handwritten signature in cursive script that reads 'Drew Townsend'.

Drew Townsend
Partner

Dated: 12 September 2022